BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2023-388-E

In the Matter of:	)	
	)	**DIRECT TESTIMONY OF**
Application of Duke Energy Carolinas, LLC	)	**RETHA HUNSICKER**
for Authority to Adjust and Increase its	)	**FOR DUKE ENERGY**
Electric Rate and Charges	)	**CAROLINAS, LLC**

I. INTRODUCTION AND PURPOSE

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION WITH DUKE ENERGY CAROLINAS, LLC.

A. My name is Retha Hunsicker and my business address is 525 South Tryon Street, Charlotte, North Carolina 28202. I am Senior Vice President Customer Experience Design and Solutions for Duke Energy Corporation ("Duke Energy").

Q. BRIEFLY SUMMARIZE YOUR EDUCATIONAL BACKGROUND.

A. I hold a Bachelor of Science degree in Business Administration from Indiana Wesleyan University.

Q. PLEASE DESCRIBE YOUR BUSINESS BACKGROUND AND EXPERIENCE.

A. Since 1981, I have been employed by, and worked for, companies under what is now Duke Energy. I began my career with Public Service Indiana, the predecessor to Duke Energy Indiana, Inc., as an Accounting Assistant. Since then, I have held several roles including Director, Business Standards and Integration; and General Manager, Smart Energy Systems and Processes. In 2012, I took the position of Regional Director, Customer Services, leading our Midwest contact centers before promoting to Vice President, Customer Contact Operations, in 2013. Beginning in 2015, I led the customer information system ("CIS") consolidation project known as Customer Connect. In May 2022, I assumed the role of Vice President Customer Experience Design and Solutions and have since been promoted to my current position as Senior Vice President of Customer Experience Design and Solutions.

My previous experience has provided me great insight into customer needs, Duke Energy processes and technology solutions. With this experience, I oversaw the planning, execution, and deployment of the Customer Connect platform, which enables the functional capabilities needed to meet our strategic purpose of powering the lives of our customers by transforming how we serve them.

Q. WHAT ARE YOUR RESPONSIBILITIES IN YOUR CURRENT POSITION?

A. As Senior Vice President Customer Experience Design and Solutions, I lead the design and execution of end-to-end strategies for measurement, valuation, and improvement of the customer experience. I oversee customer marketing, engagement, and analytics, as well as the development and optimization of technology solutions that transform how customers experience and interact with Duke Energy.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA ("COMMISSION")?

A. Yes. I testified before this Commission in Duke Energy Progress, LLC's ("DEP") most recent rate case in Docket No. 2022-254-E, where I explained the design, implementation, and benefits of Customer Connect. In addition, I testified before the Commission in Duke Energy Carolinas, LLC's ("DEC" or the "Company") and DEP's 2018 rate cases, in Docket Nos. 2018-319-E and 2018-318-E, respectively.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to highlight DEC's excellent service to our customers, how that translates to customer satisfaction and ways we supported customers during and after the unprecedented COVID-19 pandemic. I also discuss the implementation of the Customer Connect platform supporting the reasonableness of the costs and prudence of the Company's actions related to this capital investment for inclusion in rate base. Finally, I describe the steps the Company is taking to further improve customers' experience and satisfaction when they engage with us.

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. At Duke Energy, the customer is at the center of our purpose. Evolving customer expectations, emerging technologies, and changing public policies all converge to create a dynamic environment for Duke Energy and the industry. As I describe in my testimony, Duke Energy strives to exceed customer expectations by building genuine connections with all customers by soliciting customer feedback, taking note of evolving customer expectations, anticipating customer needs, leveraging emerging technologies, and offering dynamic solutions to customer issues. Customer service is a major factor in the policies, programs, and decisions that DEC employs. These efforts were most recently recognized by J.D. Power, showing DEC was a top quartile performer nationally in 2021, 2022, and 2023[1].

As strong evidence of our commitment to customer satisfaction, I describe the Company's Customer Connect implementation, which is foundational to transforming the customer experience to meet customer expectations. I also explain how the Company's $33.9 million South Carolina retail allocated investment in Customer Connect is a reasonable and prudent investment that benefits all customers and positions us to deliver sustainable value in the future.

Prior to implementation of Customer Connect in November 2021, the Company's previous customer information system, while state-of the art 30 years ago when first implemented, was not designed to efficiently support new capabilities, and thus, required complex and expensive add-ons. In addition, design limitations required some complex billing functions to be performed manually. With the implementation of Customer Connect, customers benefit from a modern, configurable billing system allowing us to keep pace more efficiently and cost-effectively with changing customer expectations and needs. It provides tools, data, and processes to help better understand our customers' mindsets, motivations, and values so we can meet their experience expectations and provide personalized solutions and engagement.

[1] J.D. Power 2023 Electric Utility Residential Customer Satisfaction Study released December 12, 2023.

Q. ARE YOU PROVIDING ANY EXHIBITS WITH YOUR TESTIMONY?

A. Yes, Hunsicker Direct Exhibit 1 provides a summary of billing accuracy, by month since the implementation of our new customer platform.

Q. WAS HUNSICKER EXHIBIT 1 PREPARED UNDER YOUR DIRECTION AND SUPERVISION?

A. Yes.

II. <u>CUSTOMER SERVICE OVERVIEW</u>

Q. PLEASE PROVIDE AN OVERVIEW OF THE COMPANY'S CUSTOMER EXPERIENCE AND SERVICES FUNCTIONS.

A. DEC's customer experience and service functions are comprised of multiple departments responsible for developing and executing policies, processes, and procedures to successfully engage with our customers across multiple communication channels. The primary channels our customers use to interact with us are Duke Energy's website, mobile app, phone, email, social media (Facebook, Instagram, LinkedIn, and Twitter), and face-to-face interactions. Our organization includes customer care operations, customer experience, metering field services, complaint resolution, billing and payment processes, and credit and collections activities.

Q. PLEASE DESCRIBE THE COMPANY'S CUSTOMER CARE OPERATIONS.

A. Our customer care operations are designed and continuously enhanced to ensure that customer inquiries are answered promptly and accurately. There are several locations and numerous remote agents handling inbound and outbound calls, as well as emails, web inquiries, mailed letters, faxes and social media inquiries. There are over 1,300 Duke Energy customer care specialists processing and supporting work in response to inquiries from Business and Residential customers in the Carolinas. During the COVID-19 pandemic, most Customer Care specialists transitioned to a remote working environment to continue serving customers safely. We also use vendor call centers in several locations to supplement our customer care specialists.

Q. DOES THE COMPANY RECOGNIZE THE DIVERSE NEEDS OF ITS CUSTOMER BASE WHEN PROVIDING CUSTOMER SERVICE?

A. Yes. In addition to our primary responsibility to provide safe and reliable electric service, we understand that our customer base has diverse service needs and strive to recognize and accommodate those needs where possible. For example, Duke Energy employs account managers that are assigned to our large, complex customer accounts to answer questions, provide solutions, and resolve issues. These Account Managers work to maintain and foster positive relationships focusing on the specific and often complex power needs of commercial, industrial, and governmental customers. They serve as a single point-of-contact providing consistency and a level of understanding of the customer's business interests and challenges. This familiarity allows our Account Managers to manage the customer relationship to enhance customer satisfaction by helping to develop and recommend personalized options in areas such as service delivery, renewables, energy efficiency, and demand response programs.

The Company's Business Service Center ("BSC") is focused on providing a more tailored service model customized by business segment for our small and medium business ("SMB") customers. This organization positions us to better understand and support the many different types and needs of business customers we serve. After soliciting feedback from builders and developers about ways we could improve their customer experience, the Company developed and launched a digital tool called the Builder Portal. The portal is designed to improve their experience when submitting work orders, requesting status updates, or seeking online support. In addition, the BSC allows us to assist additional builders, developers, multi-family builders, and local inspecting authorities with significant increase in new construction. Providing dedicated teams specializing in new construction and offering multiple contact channels allows us to better serve this business segment of customers and provides options that best suit their needs. The Company is also expanding support to other high production builders, agricultural customers, and multi-account customers. Our Business Experience Teams provide dedicated support to large multi-account customers and businesses with 1-7 accounts are served through our Business Services team. Additional servicing for solar installations and billing options is handled through our Renewable Service Center. With Customer Connect, we now offer digital experiences within our Business and Landlord Portals. Our teams work with customers to assist in choosing the best experience for their specific business needs. We help these customers set up accounts, answer questions on features, and make changes so they can utilize self-service options at their convenience. We also offer this customer segment dedicated phone numbers, email address and digital experiences so they can utilize the contact channels that work best for them.

We are also attuned to our current and prospective customers' needs in broader ways for the benefit of the State. We recognize that companies are increasingly evaluating the availability of renewable energy programs when looking to locate or expand their operations in South Carolina, as they require renewable energy access to meet their own sustainability and energy needs. To meet these needs, the Company proposed new renewable energy programs: (i) Renewable Choice and (ii) Clean Energy Impact for customers wishing to reduce their carbon footprint or otherwise support renewable energy.[2]

The Company continuously explores ways to improve the customer experience for residential customers as well. For example, we offer a variety of billing and payment choices, including paperless billing, Pick Your Due Date, and equal payment plans to make paying bills simple, secure, and convenient. We share important information with our customers through monthly bill inserts, texts, or emails and offer programs and tips to help protect customers from high energy bills due to extreme temperatures. Additionally, we supply customers with tips for protecting themselves from utility scammers through dedicated communications, a webpage, and a Scam Reporting Tool. The reporting tool allows customers to share their experience regarding attempted

[2] *See* Docket No. 2022-326-E.

scams —the information provided enables us to help protect other Duke Energy customers.

A variety of energy efficiency/demand-side management ("EE-DSM") programs are also offered to our customers and, for our low-income customers, energy assistance and bill management programs such as the Share the Light Fund, Weatherization, and the Neighborhood Energy Saver Program. To add to our best-performing EE-DSM programs in the Southeast, we recently proposed a suite of several new or enhanced demand-side management and energy efficiency programs for residential and non-residential customers. If approved, this portfolio of new projects will expand opportunities for income-qualified customers, customers that require health and safety repairs to homes prior to installing such measures, and high energy use customers; and provide customers with more tools to manage their load during peak times on the grid, thereby unlocking savings for customers and benefit the overall system.[3] We also help connect our low-income customers to local agencies for assistance support through programs such as the federal Low Income Home Energy Assistance Program ("LIHEAP"). In addition, the Company's South Carolina community relations team stays engaged with customers and community partners throughout our service territory. While our community relations team members primarily work in assigned areas, they live there as well. This allows them to work closely with the non-profit community to gain valuable insight

[3] *See* Docket Nos. 2016-80-E and 2013-298-E.

when providing Duke Energy Foundation grants to those agencies serving vulnerable communities. In addition, as discussed in Witness Michael Callahan's direct testimony, our Community Relations Managers look for opportunities to offer in-person events in vulnerable communities to allow customers face-to-face conversations with a Company representative who can assist them with their concerns.

We also continue to enhance our customer service practices to address language, cultural, and disability barriers. Moreover, the customer care centers provide 24/7 service for emergency and outage related requests.

Q. PLEASE DESCRIBE HOW DEC ENHANCES THE CUSTOMER EXPERIENCE THROUGH ITS DIGITAL CHANNELS.

A. The Company continues to experience an increased interest in digital communication and service channels. With the rapid transformation of technology, devices and new channels, customer expectations are increasing at an accelerated rate, and our teams work to provide an easy-to-use, straightforward digital experience to meet their expectations.

The Company's digital transformation efforts are helping us deliver exceptional customer benefits, including advanced capabilities and offerings. Customers are now able to digitally access an interactive Transmission Map that details transmission projects planned across South Carolina, receive estimated call wait time alerts, start service, establish payment arrangements, and access usage data.

We recognize our customers' needs for assistance are ongoing, and through the efforts of our Centralized Agency Team, discussed further below, we have established an Agency Portal. This digital tool was built to aid utility assistance agencies in streamlining and efficiently applying pledges and exchanging required information to secure assistance for those in need. Specifically, the platform helps provide agencies with account details to inform pledge decisions, the ability to create and pay pledges, and dashboard views of their activity.

We also developed a free mobile app for residential and small business customers to easily manage their account from anywhere in the United States. The app was developed based on customers' most requested features – with it, customers can: view and pay bills, report an outage, enroll in billing and payment programs, view billing history, monitor energy usage, receive personalized offers, and receive restoration updates. The app also provides links to some of our most-used features, such as Start, Stop, and Move service. The app uses the same log-in as the customer's current account and has an option to use fingerprint or facial recognition for a fast, secure sign-in if their device supports biometrics.

Additionally, we continue to streamline the outage reporting process on the website, updated customer communications including text and email, enhanced our inhouse developed outage maps providing up-to-date information, and introduced Agent Chat on the web. Since implementing these changes, customers continue to report higher satisfaction with their web experience. Customers also reported improved ease when completing tasks including 'accessing their online account' and 'requesting a payment arrangement.'

Q. PLEASE DESCRIBE HOW DEC'S SOCIAL MEDIA PROGRAM HAS EVOLVED TO KEEP PACE WITH EVOLVING CUSTOMER EXPECTATIONS.

A. With the rise in the use of social media in recent years, we have seen an increased number of customers contacting us for account-related service through social media. The Duke Energy enterprise social media channels continue to grow with more than 740,000 followers on its Facebook, Twitter, Instagram, and LinkedIn pages as of October 2023. We use these channels to inform customers about reliability updates in their area and changes that could impact their bill. Further, in the event of an emergency or major storm, social media is used to communicate important information to customers. This allows proactive posts with warning and safety information to quickly reach as many customers and stakeholders as possible, engagement with customers who have storm-related or outage-related questions, and monitoring of how messages are being received and responded to. Moreover, we have posted updates, including videos detailing storm restoration progress and photos of considerable damage to infrastructure, to show customers the scale of repairs underway.

III. SUPPORTING CUSTOMERS THROUGH THE COVID-19 PANDEMIC

Q. WHAT ACTIONS DID THE COMPANY TAKE IN RESPONSE TO THE COVID-19 PANDEMIC?

A. At the start of the pandemic, we took swift and unprecedented action to assist our customers and provide reliable electric service during the COVID-19 pandemic. We also provided relief to our DEC South Carolina customers by waiving more than $5 million in combined late-payment fees, return check charges, and walk-in payment fees during 2020. Anticipating that our customers would need additional support, we increased capacity and training in our call centers, developed extensive communications to help customers manage their electric bills and conserve energy, and provided extended payment plans. While the approaches varied, our primary goal was to find ways to communicate the message that we were there to help. Our team also developed outreach campaigns, which promoted awareness of assistance available to South Carolina customers and urged eligible customers to take advantage of available financial support through the LIHEAP funds. Throughout the pandemic, a key partner in directing customers to needed assistance was United Way/211. In South Carolina, we worked directly with United Way/211 to help expand their contact center capabilities and have 211 activated in all counties we serve for free, providing a resource to connect people with local community services. We also partnered with the South Carolina Housing Authority, which administered the Emergency Rental Assistance ("ERA") program. Through the Stay Plus program, these funds helped eligible customers pay past-due rent and utility bills. Our collaboration led to the direct pay approach developed to streamline payments which expedited relief to qualifying vulnerable customers.

As customer needs for assistance rose due to the pandemic, community agencies served as a critical channel for customers to receive support. We recognized that a more tailored experience was needed, and we dedicated a new team, our Centralized Agency Team, to support assistance agencies with the goal of creating deeper relationships and identifying opportunities to better meet the needs of our vulnerable customers. Recognizing its impact, the Company formalized this team, and this group now serves as a one-stop resource with a unique telephone number and email address reserved exclusively for agencies that have questions or need support. Since inception, the team has supported thousands of agency calls to help customers access assistance funding.

As we continue to see the effects of the pandemic and the current economic environment on our communities, who are now experiencing record high cost in living expenses, Duke Energy's Foundation pivoted to help provide relief to the areas most impacted. Since 2020, Duke Energy and the Duke Energy Foundation funded more than $15.8 million in charitable giving in South Carolina. Funding examples include more than $1 million in feeding insecurity programs that address both the need and access to food, especially in our rural areas. Senior mobile meal programs received $100,000 in funding to help with the unbudgeted cost of the rise of gasoline to their meal delivery programs. In addition, $1.2 million in customer utility bill payment assistance through the Share the Light Fund has been distributed. As past and present hurricane seasons impacted our communities, the Duke Energy Foundation has invested $1 million to help create more resilient and responsive cities and towns to mitigate the effects of storms. We are proud not only of our actions in assisting customers and providing reliable electric service during an unprecedented time, but also how our actions have helped to shape how we improve our customer service today.

IV. CUSTOMER SATISFACTION MEASURES

Q. HOW DOES THE COMPANY MEASURE CUSTOMER SATISFACTION AND IMPROVE EXCELLENCE IN CUSTOMER SERVICE?

A. The Company has implemented a comprehensive ecosystem of tools to gain insights into customers' pain points, allowing us to monitor, adjust, and continue improving the customer experience. In 2018, we launched the CX Monitor, a proprietary relationship study, which surveys customers to measure advocacy and satisfaction. It measures customer satisfaction with key experiences they have had with us over the past 12 months, and asks for prompt customer feedback, which is reviewable in near real-time. Examples of these experiences may be a payment experience or reporting a safety concern. Customers provide a score for each experience they have had on a '0-10' scale and are able to provide open-ended verbatim comments detailing the primary reason(s) for their score. The value of the CX Monitor survey is that it asks our own customers about their perceptions, which can be compared against their actual experiences. We have been able to leverage the data to generate insights, which has helped us prioritize investment to drive customer satisfaction. Since the CX Monitor survey launched in 2018, DEC alone has collected more than 200,000 residential electric and over 3,250 SMB surveys from South Carolina customers. DEC has seen a significant improvement in overall customer sentiment as we improve the customer experience through actions further described below.

DEC has also implemented Fastrack 2.0, a proprietary post-transaction measurement program, which measures the quality of interactions customers have with us. Analysis of these ratings helps to identify specific service strengths and opportunities that drive overall satisfaction and to provide guidance for the implementation of process and performance improvement efforts. We have also implemented ‘Reflect’, a post-contact survey that offers customers the opportunity to provide immediate feedback after they contact Duke Energy by web, call to the automated system, or call to a live agent. This tool provides critical feedback to help improve the channels customers use when interacting with us.

Our successful use of these customer insights is reflected in J.D. Power's Customer Satisfaction Index, a critical measure of a company's success. DEC has seen impressive results with J.D. Power, outgaining the industry over the past three years in its annual residential customer satisfaction study. DEC was also recognized as a top quartile performer among all large utilities nationally in 2021, 2022, and 2023[4].

Q. HOW DOES A CUSTOMER BRING AN ISSUE TO THE COMPANY'S ATTENTION?

A. Our customers have numerous avenues to voice an issue including through our call specialists, Community Relations Managers, Ethics Hotline, social media, or email. In addition, as I previously mentioned, CX Monitor and Fastrack are two key proprietary surveys we use on an ongoing basis to track customer feedback. At the end of each survey, customers can provide additional comments regarding any outstanding question(s) they have for us that still need to be answered or issue(s) that still need to be resolved. Comments converted into high priority Hot Alerts are forwarded to the Consumer Affairs team to resolve, with a member of our customer service staff directly contacting the customer to ensure satisfactory resolution to the customer's question or issue. Separately, a Hot Alert may be triggered by an automated key word software review of survey statements, which may indicate customer frustration or a poor experience, even if the customer did not directly ask for follow up.

In addition, customers can raise issues and inquiries directly with our employees. Our employees can then use the "I Can Help" tool to report the concern and immediately begin the process of resolving the issue, as well as track to resolution. Thus, while the Company continues to seek feedback from

[4] J.D. Power 2023 Electric Utility Residential Customer Satisfaction Study released December 12, 2023.

customers through various survey instruments, we are also making it easier for customers to contact us, receive follow-up and close the loop. But most importantly, as I describe, we are using innovative tools to reduce complaints and the need for customers to escalate an issue.

Q. WHAT DO YOU ATTRIBUTE TO THE POSITIVE CUSTOMER SATISFACTION SCORES YOU DESCRIBED PREVIOUSLY?

A. At Duke Energy, as Witness Callahan discusses in his testimony, our goal is to provide safe, reliable, and resilient service; continuously improve customers' experience; diversify and enhance our system, including modernizing the energy grid; and achieve a smarter, more efficient energy future - all while continuing to be a good corporate citizen and keeping costs as low as reasonably possible. We are a well-run company, and we believe that customers see and experience the benefits of our efforts every day. Here are just a few of the many recognitions Duke Energy has received across the enterprise:

- Duke Energy was honored in 2019 with the SAP Industry Innovation Award for excellence in customer service.
- Duke Energy was honored in 2022 with the Peak Load Management Alliance Industry Thought Leader award for its efforts around rate design and smart device integration.
- Forbes magazine included Duke Energy in its 2022 "America's Best Employers for Women" and its "Best Employer for Diversity" lists for the fourth year in a row.
- For the 17th consecutive year, Duke Energy was named to the Dow Jones Sustainability Index for North America.

And specific to DEC's customer service in South Carolina:

- The Company's Great Falls Dearborn Diversion Project, funded, managed, and partially owned by Duke Energy, received South Carolina ASCE (American Society of Civil Engineers) Project of the Year.
- Oconee Nuclear Station ("ONS") received a proclamation from the SC Senate and a resolution from Oconee County Council, both honoring ONS on its 50th anniversary of operation.
- The Williamston Police Department presented Duke Energy with a plaque during a city council meeting in recognition of several years of financial and volunteer support of its student backpack giveaway program.
- The United Way of Pickens County recognized Duke Energy at its annual meeting as a "Top Dollar Giver" for its support during the previous year.

Further, I believe the robust team of customer care center representatives and customer field service personnel, our Interactive Voice Response ("IVR") options, and processes and procedures heavily influence our customers' satisfaction. I also believe the multiple options offered to our customers to communicate with and receive information from us, including through digital channels and social media, improves the customers' overall communication experience. The Company's ability to keep our customers' lights on reliably, efficiently, and affordably all while being a good corporate citizen also contributes to positive customer perceptions. I provide just a few examples below:

Storm Response

The Company takes storm preparation very seriously and that includes communicating with our customers ahead of and during storm activity as well as in the restoration of service phases. Those communications occur through multiple channels including news releases, media interviews, social media posts, a dedicated storm page on the Company's website, and direct-to-customer communication channels such as email, texts, and outbound calls. The intent is to share with customers information regarding safety, storm damage, mobilized crews and resources available, updated outage and restoration numbers, as well as estimated times of restoration. In addition, customer care operations prepare for large call volumes through response plans including additional staffing, assigned storm roles for each employee, working with our vendor partners, extended hours, readying IT systems, reviewing and refreshing training materials.

Customers have also recognized our efforts and their satisfaction with our communications to keep them informed while experiencing outages. Below are some direct comments from customers experiencing outages:

> *"The power went out twice due to storms which is unavoidable. We were updated on the situation including the expected time of repair. Both times it was repaired early. Great job."*

> *"I like the advance notice of potential issues (high winds, storms, etc.) and how you prepare to prevent outages."*

> *"Communication during any outage as a result of a storm or any other reason has always been outstanding. We are not always in the home so knowing the status is very reassuring."*

Q. IS THE COMPANY WORKING TO FURTHER IMPROVE THE LEVEL OF CUSTOMER SERVICE?

A. Yes. Duke Energy is working hard across its business to further improve the customer experience. In my organization, we are doing our part to transform the customer experience by making strategic, value-based investments for the benefit of our customers.

Q. PLEASE DISCUSS THE COMPANY'S EFFORTS TO DELIVER MORE VALUE TO CUSTOMERS.

A. As described above, we have a robust customer survey and feedback model that allows us to gather and analyze data and feedback directly from our customers. This provides insights to identify areas that need attention and investment allowing us to strategically enhance processes, technology, training, offerings, and ultimately provide more value to customers.

A significant strategic investment made by the Company was replacing its multi-decade old billing system and transitioning to a new customer engagement platform including a CIS (known as Customer Connect). The new CIS is a system that manages the billing, accounts receivable, and rates for the Company as a central repository for all customer information. The CIS links the consumption and metering process to payments, collections, and other downstream processes including additional work order requests such as service connections and disconnections, outages, and trouble requests. The CIS also manages customer profiles and integration of data to provide a holistic view of the customer and enable valuable capabilities expected by customers, including information to better manage their energy usage and bills. Finally, the new system helps improve the Company's responsiveness to regulatory or market changes and ability to implement modern rate structures (e.g. time-of-use critical peak pricing).

Additionally, the IVR, which handles more than 30 million interactions annually, continues to improve its functionality and further provide self-service capabilities for customers. This natural language technology helps proactively identify the intent of the customer's call and route them more seamlessly to the call specialists that can meet their needs. One improvement example is a feature called First-in-Line, which allows customers to either remain on hold or select a call back number during busier than normal call volumes, where they can be reached when a customer service representative becomes available. While common IVR self-service transactions, such as making a payment or reporting an outage have been available for years, customers are taking advantage of new features within the IVR including receiving information via text message. For example, when prompted, a customer may accept an offer from the IVR to send them a text message with their balance, a link to enroll in autopay, or be sent information to sign up for an installment plan (via URL). Before, while using the voice channel, a customer would have been directed to a call center specialist, which is still an option too, to perform those transactions. In 2023, approximately 260,000 texts were sent to DEC South Carolina customers based on their IVR interaction and the IVR self-service containment rate was approximately 66%, reducing the need for customers to talk to a specialist for routine account matters.

We are continuously looking for opportunities and deploying additional capabilities to enhance our customers' experience. Some examples include: Pay as Guest web option for customers without their account number on hand;

improved performance of our MyAccount online dashboard; Business Portal upgrades; digital start service for existing business customers; and launching a Chatbot within the MobileApp. Chatbot launched in April of 2023 and through more than 25,000 chat sessions we have provided responses to frequently asked questions, guidance on site navigation, and provided a new channel for feedback.

Finally, it is now simpler for customers to report outages using the channel most convenient for them and can also elect to receive key updates such as outage cause and restoration times through the Outage Alerts program and Outage Map. Our teams also continue to work on enhancing our Usage Alerts Program incorporating users' feedback to ensure communications meet their needs. Customers now automatically receive a usage alert communication at the midpoint of their billing cycle with their current electricity cost broken down and predictive end of cycle cost calculation, providing them time to reduce their energy usage. More than one million mid-cycle alerts have gone to DEC's South Carolina customers since the program launch in February 2023.

The direct feedback and insights provided by our customers guides our investment and enhancements strategy. Customers continue to seek more capabilities and options in all channels and our recent investments continue to deliver value to customers.

V. CUSTOMER CONNECT PLATFORM

Q. PLEASE PROVIDE AN OVERVIEW OF THE CUSTOMER CONNECT DEPLOYMENT.

A. As noted above, the Company has transitioned its billing system and Customer Connect was fully implemented for DEC on April 5, 2021. Customer Connect is the foundation for transforming the customer experience through providing simplified experiences, strengthening business operations, advancing offering and capabilities for customers, and immediately delivering key customer benefits and improvements. With implementation, customers quickly began enjoying sought after self-service options through new digital portals, a fully automated start service experience, same-day and Saturday start service options, and more digital enrollment options for billing and payment programs. Through November 30, 2023, more than 33,000 customers started their electric digitally and nearly 8,400 requested their service to begin the same day.

Q. PLEASE DISCUSS THE STAGES AND TIMELINE FOR THE CUSTOMER CONNECT PROJECT.

A. The Customer Connect project was comprised of three main stages: 1) Implementation; 2) Stabilization; and 3) Optimization. The primary focus for the Customer Connect program has been to successfully implement the new system to all of Duke Energy's regulated utilities (excluding Piedmont Natural Gas), and to stabilize the platform following those deployments. As mentioned earlier, each deployment was followed by a period during which heightened support (known as Hypercare) is provided followed by system stabilization. The goal of Hypercare is to navigate through impacts to help maintain positive experiences for customers. Following stabilization for deployments in all jurisdictions, the Company leveraged and optimized the new platform and processes enhancing the customer experience while also improving work efficiencies and maintaining system performance.

Q. PLEASE DISCUSS THE IMPLEMENTATION EXPERIENCE FOR THE COMPANY AND ITS CUSTOMERS.

A. With the implementation of the Customer Connect Program, the Company successfully transitioned all DEC customer account data from its legacy billing system to the new Systems, Applications and Products in Data Processing ("SAP") billing system, including more than six billion records, and balancing approximately $400 million in accounts receivable across the DEC system. Meter reads, billing, and payments ("batch billing") were processed without manual intervention on day one of the transition and the systems have been performing well, maintaining over 99% availability. The Company intentionally reviewed bills for complex accounts to ensure they were established and billing correctly before sending the bills to customers. As shown in Figure 1, the Company's deployment and stabilization of Customer Connect performed far better in the first 90 days than the industry benchmark metrics provided to Duke Energy by Accenture.

Figure 1 – Post-Implementation Billing Metrics

Metric (Post Go-Live)	Duke Energy (DEC) End of Month 1	Duke Energy (DEC) End of Month 3	Industry Benchmark (first 6 months avg.)
Delayed Bills	<0.5%	<0.0005%	1-3%
Open Exceptions Impacting Billing	~10-15k	<1k	25k-35k
Batch Billing meeting all thresholds without intervention*	Day 3	Day 3	By Day 60

* Batch billing encompasses the creation/posting of meter reads, payment, service orders, billing, invoicing, associated accounting, and general ledger.

As shown in the chart above, in terms of the benchmark that captures the timeframe for batch billing being processed without manual intervention, the industry benchmark is to reach this metric by Day 60, and the Company reached this benchmark on Day 3. Furthermore, the Company had less than 0.5% of delayed bills following its deployment, while the industry standard is a 1-3% average within the first six months of a customer information system deployment. With respect to open exceptions, which are accounts requiring review prior to invoicing due to the system flagging an account anomaly such as a higher/lower than typical bill, DEC had approximately 1,000 at the end of its first 90 days after deployment, exceeding the benchmark average of 25,000 – 35,000 for the first six months post-deployment.

As done previously in its legacy billing system, the Company continues to monitor billing accuracy and timeliness, learn from errors, and implement changes to ensure that errors do not continue to recur. The new billing system is a fluid environment that has much complexity, which was also true in the 30+

year old legacy billing system. The Company is committed to making every attempt to minimize billing errors and resolve customer issues. Since SAP implementation, DEC has maintained its monthly overall billing accuracy above 98.8%. The chart provided in Hunsicker Direct Exhibit 1 reflects the Company's consistency in its overall billing accuracy by month since SAP implementation.

Although the Company's performance has met or exceeded multiple industry benchmarks since conversion, we know there is always room for improvement, and we are committed to doing that. Two ways the Company continues to improve is employee proficiency (i.e., personnel becoming accustomed to new processes within the system) and necessary technical updates (e.g., the Optimization Stage discussed below) as the new system encountered certain scenarios.

Additionally, with the deployment of Customer Connect, the Company made improvements in processing customer requests via its website and IVR and has seen a steady increase in customers taking advantage of fully automated processes such as move requests and billing and payment program enrollments. The average number of service requests completed in these channels is on par with the numbers prior to the deployment of Customer Connect. Importantly, the Company expects these figures to increase.

The Company has also begun tracking customer behaviors post go-live and has found that customers are taking advantage of billing and payment options using new or enhanced self-service capabilities. For example, since the deployment of Customer Connect, approximately 20% of move requests, and more than 60% of payment assistance and billing program enrollments (e.g., installment plans, budget billing, Pick Your Due Date) have been completed through self-service options (i.e., website and IVR) instead of having to call the Company during business hours.

Finally, ahead of deployment, the Company increased both its call center and back-office staffing to minimize impacts to customers as employees learned a new system. The Customer Connect program team implemented robust communications and contingency plans for responding to issues and has responded quickly with numerous external communications including outbound calls and email communications, as well as messaging on the external website and automated phone system to address customer confusion post-deployment. Following the deployment, the Company maintained a service level above the target 80% in its call center, and the number of social media inquiries and customer complaints (handled by the Company's Consumer Affairs team) remained at normal levels.

Q. DID THE COMPANY APPLY ANY LESSONS LEARNED FROM ITS CUSTOMER CONNECT DEPLOYMENT?

A. Yes. The Company applied lessons learned from each deployment. Examples of learnings that the Company applied included enhanced pre-deployment messaging to customers, including all outbound communications, IVR, and website messages to ensure customers were aware of upcoming system changes, down times, and suspension of disconnections for non-payment. For example, improvements to overall Company processes during the cutover periods (where there were planned limited system capabilities) were accomplished by leveraging technical solutions and increasing training for Customer Care Operations, which included calls handled during the cutover period, the manual forms process, and the ability to process payments during the cutover. Applying these lessons learned reduced the system downtime during affiliate deployments and shortened windows when certain functions were unavailable. Finally, subsequent deployments included improved trainings for complex scenarios by providing hands on training in the new system ahead of go-live which again reduced the offline windows, thus improving the customer experience.

Q. PLEASE DISCUSS THE HYPERCARE AND STABILIZATION PERIOD EXPERIENCE FOR THE COMPANY AND ITS CUSTOMERS.

A. The period that began immediately upon deployment was called Hypercare and included activities such as heightened support for employees working in the new system (Customer Care, Billing, Accounts Receivable, Delivery Operations, etc.), issue tracking and resolution, and customer communications. As discussed above, the goal of Hypercare was to navigate through impacts to help maintain positive experiences for customers immediately following the implementation of the new system. During this time, the Customer Connect team closely monitored system and operational performance along with issue resolution. Platform stabilization followed Hypercare and it focused on continued defect resolution while ensuring the platform remained stable as more customers transitioned onto the system. Once all deployments were complete, activities transitioned from the project team back to operations through our production support teams.

Q. PLEASE ELABORATE ON THE OPTIMIZATION STAGE.

A. Following the completion of deployments and stabilization, the Company progressed to the Optimization stage. The focus of this stage is to execute value-driven customer experience improvements and to increase self-service opportunities for our customers including activating additional features and functionality within the new platform. The work in this stage centers around key focus areas:

- Customer impacts – improving on primary customer impact areas including billing & payment, communications, outage and start service;
- Efficiency opportunities – improving work efficiency and how we serve our customers;
- Technical Health and System Performance – technology improvements required to maintain system performance;
- Product and Services – supporting program offerings to customers; and
- Regulatory – required enhancements from regulatory agencies.

The Company completed Optimization initiatives through staggered releases. Examples of these initiatives include: Pay as Guest web option for customers without their account number on hand; improved MyAccount dashboard load time performance; AutoPay Enhancements; Business Portal usability enhancements; digital start service for existing business customers; and Mobile

App help via Chatbot. We continue to identify opportunities and develop enhancements across the focus areas discussed above.

Q. PLEASE PROVIDE THE REGULATORY BACKGROUND OF CUSTOMER CONNECT AND DISCUSS HOW THE COMPANY KEPT STAKEHOLDERS INFORMED OF THE PROJECT STATUS DURING ITS DEVELOPMENT LIFECYCLE.

A. The Company worked collaboratively with stakeholders throughout the development and deployment of the Customer Connect Program. Then, the Company filed a request with the Commission for an accounting order in Docket No. 2018-207-E, which included a request to defer in a regulatory asset, incremental operating and maintenance expenses ("O&M") expenses associated with the deployment of the Customer Connect Program and which the Commission authorized in Order No. 2018-552 issued on August 7, 2018. Next, in Docket No. 2018-319-E, I explained the need to upgrade DEC's CIS to the Customer Connect platform, the reasons for the implementation and benefits to customers as part of its request for approval to adjust its revenue requirement to include ongoing projected O&M expenses associated with replacing the prior CIS. My testimony in that docket provided the Commission and interested stakeholders/intervenors with detail regarding the reasons for and benefits of the Customer Connect implementation. In addition, following that case, the Company provided regular project implementation status updates to keep the Commission informed. The Company also provided information to the South Carolina Office of Regulatory Staff's Consumer Services department to assist with questions related to the Company's redesigned bill format implemented in 2020, and new and enhanced billing and payment programs introduced with the full deployment of Customer Connect. In Order No. 2019-323 in the Company's 2018 Rate Case docket, the Commission approved the Company's request to recover its deferred costs over a three-year period and included an adjustment to the revenue requirement for incremental known and measurable O&M costs based on actuals incurred in 2018.

In 2021, in Docket No. 2021-91-E, the Company petitioned the Commission for a limited waiver of the Company's Code of Conduct and requested approval of updated service regulations to allow it to fully implement the Customer Connect platform and upgrade its billing system infrastructure to better support dynamic rate designs, standardize the monthly billing period, and grant the Company more flexibility in reviewing a customer's payment history to potentially eliminate the need for a deposit when relocating from one Duke Energy jurisdiction to another. The Company's requests were approved via Commission Order No. 2021-819, issued on December 21, 2021. Furthermore, DEC provided detailed information regarding its plans for deployment and impacts to customers and made informational filings for the Commission's awareness in informational Docket No. ND-2021-1-E.

Q. WHAT AMOUNT OF CAPITAL COST FOR CUSTOMER CONNECT IS THE COMPANY REQUESTING COMMISSION APPROVAL OF IN THIS CASE?

A. The estimated remaining capital cost of Customer Connect not currently reflected in customer rates, projected through December 31, 2023, is approximately $33.9 million for South Carolina retail customers ($148.9 million system). The Company respectfully requests that the Commission approve inclusion of the Customer Connect capital additions in rate base as reasonable and prudent utility investment.

Q. WHAT AMOUNT OF DEFERRED O&M COST FOR CUSTOMER CONNECT IS THE COMPANY REQUESTING COMMISSION APPROVAL OF IN THIS CASE?

A. The Commission approved to defer into a regulatory asset account the incremental O&M expenses associated with the deployment of Customer Connect. In this proceeding, the Company is requesting approval of $6.6 million of O&M expense incurred and deferred from January 1, 2019, through the rates effective date in this case. Witness LaWanda Jiggetts' direct testimony provides a detailed discussion of the Customer Connect O&M deferral.

VI. <u>ENHANCEMENTS TO CUSTOMER OFFERINGS</u>

Q. PLEASE DESCRIBE ANY DIGITAL ENHANCEMENTS THE COMPANY HAS MADE TO BETTER SERVE CUSTOMERS.

A. The Company recently made it easier for customers to report outages via the website or mobile app. In July 2020, a web form was launched that allows customers to provide greater detail about their outage, along with an option to enter free form comments to allow for more detail on the situation. We have seen adoption of the new outage forms grow with the completion rate moving from approximately 55% with the legacy forms to now 87%, indicating more customers are staying on the web to complete the submission rather than dropping from the web to call in the outage report. Additionally, this allows the Company to digitally collect more detailed data with respect to outage tickets helping inform our outage management system. For example, a customer can complete the form stating that "there is a wire down" and our distribution control centers and crews see that detail providing more direct information of the current situation and field conditions at the scene of the outage. We continue to proactively communicate with customers experiencing outages providing updates via text or email and up to date information on the new outage maps, without the customer having to call. Improvements were also made to the mobile app to ensure key outage data points were more visible to customers during active outages.

A new Street and Area Light Repair platform was launched on the Company webpage in March 2021. This platform allows both customers and call center specialists to easily report streetlight issues. The tool enables reporting of detail for the exact problem, improving operational efficiencies on the repairs. Additionally, customers can select to receive email or text updates on the progress of their requested repair. Chartwell, a company that works with utilities to improve customer experience and satisfaction as well as operational efficiency, recently awarded one of its 2022 Best Practices Awards in Outage Restoration to Duke Energy for this Street & Area Light Repair tool.

Finally, the Company has made improvements to our customer confirmation messaging to be more informative. Customers will now see dates their payment was posted and if a customer's balance is paid in full, they will see a message stating $0 remaining balance. Also, these messages can provide other account insights, for example when the account is at risk for disconnection. Also, with the rollout of Customer Connect, a bill reminder message was introduced to customers that would remind them three days prior to their bill due date if they had yet to pay. These changes were made to be more informative when communicating with customers who choose to interact digitally with the us.

Q. NOW THAT THE COMPANY HAS FULLY DEPLOYED ADVANCED METERING INFRASTRUCTURE ("AMI"), HOW DOES IT DIRECTLY BENEFIT THE COMPANY'S CUSTOMERS?

A. The AMI technology – "smart meters" – is customer-focused; it enables greater convenience, control, and transparency over a customer's energy consumption. Customers with smart meters have access to detailed information about their hourly and daily usage patterns through the Duke Energy online customer portal. This data allows customers to make more informed choices regarding how they use energy. With the capability to record interval usage data, smart meters are a foundational technology that enables new rate designs discussed by Witness Morgan Beveridge. Likewise, this additional data, combined with new Customer Connect System, will provide us with expanded options and flexibility in supporting enhanced customer services and programs.

In addition, Remote Order Fulfillment through AMI meters in connection with Customer Connect has enabled customers to request same-day, Saturday, and digital self-service options. These enhancements have increased efficiency in operations and customer satisfaction.

Helping customers keep their bill as low as possible and better manage their energy usage are important to us. As such, we are continually developing solutions, in part enabled by smart meters, for our customers. New and enhanced customer solutions are listed in the table below:

Program/Product	**Description**	**Channels**
Track My Service – Start and Stop Service	Eligible customers automatically receive order confirmations and reminders when they start, stop, and transfer service.	• Email • Text • Voice
Remote Order Fulfillment	Provides customers flexibility with options such as same day start service.	• Online Web Form • Call Center
Ping It	A program which allows the Company to remotely diagnosis customer reported issues, checking the status of a smart meter in lieu of sending a technician to the premise, especially useful during major storm event restoration.	• Email • Text • Voice
Pick Your Due Date	Enrolled customers select the billing due date that best aligns with their financial situation.	• Online Web Form • Call Center
PrePaid Advantage	A program that allows customers to make payments on their schedule, pay in advance for energy they use, and add additional funds when their account gets low.	• Online Web Portal • Text • Email • Voice

Proactive Outage Communications	Messaging that alerts customers when there is an outage in their area.	• Email • Text • Voice
Usage Alerts	Eligible customers automatically receive an email at the midpoint of their billing cycle with current electricity cost broken down by appliance and projected cost; can also opt to receive budget alerts.	• Email • Text
Energy Usage	Allows customers to view their hourly energy usage over time with options to see it by month, day, or bill cycle.	• Web • Mobile App
Payment Confirmations	Eligible customers automatically receive an email or text message when their payment is received by Duke Energy.	• Email • Text

VII. CONCLUSION

Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?

A. Yes. As I stated at the beginning of my testimony, Duke Energy strives to exceed customer expectations by building genuine connections with all customers by soliciting customer feedback, taking note of evolving customer expectations, anticipating customer needs, leveraging emerging technologies, and offering dynamic solutions to customer issues. While no utility is perfect, we strive to be every day, which is why customer service is a major factor in the policies, programs, and decisions that DEC employs. We recognize that it is both an honor and a privilege to be a service provider for millions of South Carolina customers and we will continue to do our very best to meet our core purpose.